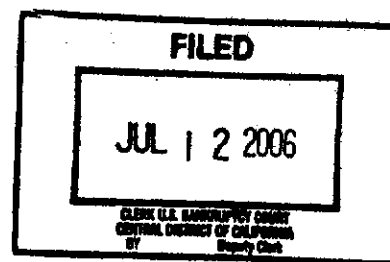


Attorney or Party Name, Address, Telephone and Fax Number, and CA State Bar No.

FOR COURT USE ONLY

Leonard M. Shulman - Bar No. 126349
SHULMAN HODGES & BASTIAN LLP
26632 Towne Centre Drive, Suite 300
Foothill Ranch, California 92610
Telephone: (949) 340-3400
Facsimile: (949) 340-3000



**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA**

In re:
**INDUSTRIAL PRINTERS OF CALIFORNIA, INC., dba
IPG (Industrial Printing Group)**

Debtor(s).

CASE NO.: **SA 05-17711 JR**
Chapter 7

NOTICE OF SALE OF ESTATE PROPERTY

Sale Date: **July 20, 2006**

Time: **10:30 A.M.**

Location: **3012 South Croddy Way, Santa Ana, California 92704**

Type of Sale:

☒ Public

☐ Private

Last date to file objections:

Not applicable

Description of Property to be Sold: **Assorted printing equipment and machinery, racking, office furniture and office equipment, forklifts and trucks used in the operation of the Debtor's industrial printing business.**

Terms and Conditions of Sale: **See the attached Order Authorizing the Trustee to: (1) Conduct an Auction Sale of Assets of the Estate Free and Clear of Liens Pursuant to Bankruptcy Code Section 363(b) and (f); (2) Employ Auctioneer and Pay Compensation to the Auctioneer; (3) Authorizing Abandonment of Certain Assets; (4) Approving Stipulation to Payment of Administrative Rent; Auction Sale and Removal of Personal Property; (5) Approving Use of Cash Collateral for Payment of Insurance and Administrative Rent; (6) and Granting Related Relief entered on June 30, 2006 ("Order")**

Proposed Sale Price: **See the attached Order and auction sale notice**

Overbid Procedure (If Any): **See the attached Order and auction sale notice**

If property is to be sold free and clear of liens or other interests, list date, time and location of hearing: **See the attached Order**

Contact Person for Potential Bidders (include name, address, telephone, fax and/or e-mail address):

CMA Auction Services
www.cmaauctions.com

Telephone: (818) 972-5353; (800) 541-2622, Ext. 153

Date: **July 11, 2006**

PRINTING EQUIPMENT AUCTION

By Order of Chapter 7, Trustee in the matter of:

INDUSTRIAL PRINTERS OF CALIFORNIA, INC.

Bankruptcy Case #SA 05-17711 JR

Auction: THURSDAY, JULY 20TH AT 10:30AM
Location: 3012 So. Croddy, Santa Ana, CA 92704
Preview: Wednesday, July 19TH, 9am-4pm & Morning of Sale

PRINTING EQUIPMENT

1997 Heidelberg Speedmaster Model #SM102-2-P • Stahl Stitcher ST-90 w/6 Pockets, Cover Feeder, Card Feeder, Waste Extraction Blower & Inner, Model # 25TA • Stahl B-26 Folder, Model TF86-34/4 • Jagenberg Diana System • Polar Heidelberg Speedmaster Multicolor Printing Press SM102-2-F, #539234 • Polar Speedster Model 115MON #5631178 w/T15 EMC Power Paper Cutter, 45" • Polar/Mohr Model #115EMC Cutting Machine • AGFA Division Plate Manager, Model #87788 • AGFA Jet Sherpa, Model #43DS • AGFA Printing Equipment • AGFA Plotters • Two Color Printers • Packaging Machines • Printing Inks & More!

ROLLING STOCK

1997 Chevy Tiltmaster Stake Bed, 226,667mi • (2) 2001 Chevy W4500 Box Trucks, 120,783mi • (4) Forklifts: Komatsu 6k Capacity, Triple Stage, 180", Electric w/Charger; Mitsubishi 4k Capacity, 128", Air Tires, Side Shift, LPG; Hyster Forklift 4k Capacity; CAT 3k Capacity, 182", Triple Side Shift, LPG • (40) Sections of Pallet Racking.

COMPUTERS & OFFICE EQUIPMENT

PowerMac G4 • PC Computers • Laser Printers • Routers • Switches • Hubs • UPS • Video Editing Rack • DVD Player • VCR • TV • Telephone System w/Voice Mail • Copiers • Monitors • Faxes • Office Furniture, Sofas • Conference Tables • Desks • Chairs • Filing Cabinets • Lunch Room Tables and Stools & Much More!



View of STAHL Series ST-90 Stitcher



STAHL B-26 Folder



1997 HEIDELBERG Speedmaster



STAHL 4-Station, Series ST-90 Stitcher

CMA Auction Services
 Jim LaRicca, Auctioneer, CA Bond #SUR39160

Sale Conducted by:

40 E. Verdugo Ave., Burbank, CA 91502
(818) 972-5353 • (800) 541-2622, Ext. 153
www.cmaauctions.com

DIRECTIONS TO SALE: From Los Angeles: Take the 405 S to the 22 E and exit Harbor Blvd. Head South on Harbor and turn right on Garry Ave. Building is on your right hand side on the corner of Garry Ave. and Croddy Way.

TERMS: Cash, Cashier's Check or Wire Transfer Only \$300.00 Cash Refundable Entrance Deposit Required to Bid. A 25% Deposit will be required to secure bids prior to buyers departure. 12.5% Buyers Premium

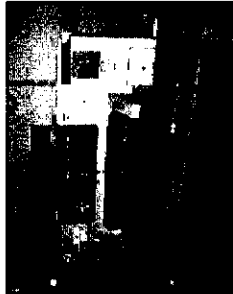
PRINTING EQUIPMENT AUCTION

By Order of Chapter 7, Trustee in the matter of:
INDUSTRIAL PRINTERS OF CALIFORNIA, INC.
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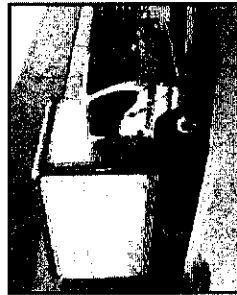
JAGENBERG Diana System



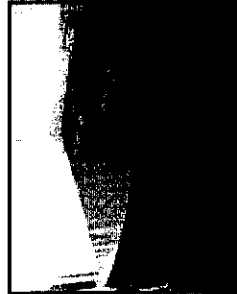
POLAR/MOHR Cutting Machine



KOMATSU 8k Capacity



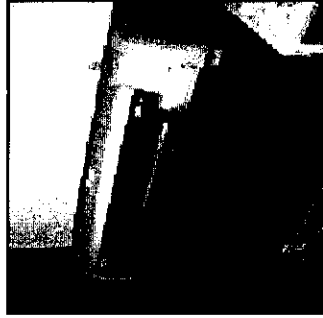
(2) 2001 CHEVY Box Trucks



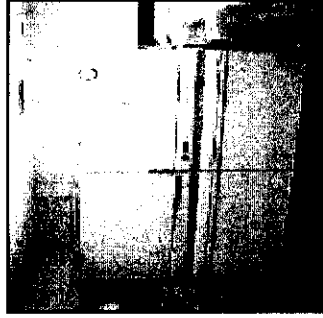
Office Furniture



1997 CHEVY Tiltmaster Stake Bed



AGFA Jet Sherpa



AGFA Division Plate Manager

CMA Auction Services
www.cmaauctions.com

ORIGINAL

1 James C. Bastian, Jr. - Bar No. 175415
 2 Robert E. Huttenhoff - Bar No. 214447
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 5 Foothill Ranch, California 92610-2808
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8 Proposed General Counsel for Karen S. Naylor,
 9 the Chapter 7 Bankruptcy Trustee

10 **UNITED STATES BANKRUPTCY COURT**
 11 **CENTRAL DISTRICT OF CALIFORNIA, SANTA ANA DIVISION**

12 In re

13 **INDUSTRIAL PRINTERS OF**
 14 **CALIFORNIA, INC., dba**
 15 **IPG (Industrial Printing Group)**

16 Debtor.

17 Case No. SA 05-17711 JR

18 Chapter 7

19 **ORDER AUTHORIZING THE TRUSTEE**
 20 **TO:**

21 **(1) CONDUCT AN AUCTION SALE OF**
 22 **ASSETS OF THE ESTATE FREE AND**
 23 **CLEAR OF LIENS PURSUANT TO**
 24 **BANKRUPTCY CODE SECTION 363(b) AND**
 25 **(f);**

26 **(2) EMPLOY AUCTIONEER AND PAY**
 27 **COMPENSATION TO THE AUCTIONEER;**

28 **(3) AUTHORIZING ABANDONMENT OF**
CERTAIN ASSETS;

(4) APPROVING STIPULATION TO
PAYMENT OF ADMINISTRATIVE RENT;
AUCTION SALE AND REMOVAL OF
PERSONAL PROPERTY;

(5) APPROVING USE OF CASH
COLLATERAL FOR PAYMENT OF
INSURANCE AND ADMINISTRATIVE
RENT;

(6) AND GRANTING RELATED RELIEF

Date: June 28, 2006

Time: 11:00 A.M.

Place: Courtroom 5A

411 West Fourth Street

Santa Ana, California 92701

1 The Emergency Motion for an Order Authorizing the Trustee to: (1) Conduct an Auction
2 Sale of Assets of the Estate Free and Clear of Liens Pursuant to Bankruptcy Code Section 363(b)
3 and (f); (2) Employ Auctioneer and Pay Compensation to the Auctioneer; (3) Authorizing
4 Abandonment of Certain Assets; (4) Approving Stipulation to Payment of Administrative Rent;
5 Auction Sale and Removal of Personal Property; (5) Approving Use of Cash Collateral for
6 Payment of Insurance and Administrative Rent; (6) and Granting Related Relief ("Emergency
7 Motion") filed by Karen S. Naylor, Chapter 7 Trustee ("Trustee") for the bankruptcy estate
8 ("Estate") of Industrial Printers of California, Inc. ("Debtor") came on for hearing on June 28,
9 2006, the Honorable John E. Ryan, United States Bankruptcy Judge presiding.

10 The Trustee appeared through Shulman Hodges & Bastian LLP by James C. Bastian, Jr.
11 and Robert E. Huttenhoff. Other parties appeared as reflected in the Court's record.

12 The Court having considered the Emergency Motion, the limited objection of
13 Hall/Reitberg Properties, the arguments and representations of counsel, and the record in this
14 case; the Court having found that proper notice has been given under the circumstances of this
15 case, and it appearing that the relief requested by the Emergency Motion is in the best interests of
16 the Estate and its creditors; and good cause having been shown, it is hereby

17 **ORDERED** that the Emergency Motion is granted as follows:

18 1. The Trustee is authorized to conduct an auction sale of the assets of the Estate
19 listed in the following chart, to the highest bidder, with no minimum bid requirements and free
20 and clear of all liens and encumbrances, if any, pursuant to Bankruptcy Code Section 363 (b) and
21 (f), with such liens and encumbrances to attach to the proceeds of the auction sale in the same
22 validity and priority as prior to the commencement of the Debtor's bankruptcy case on October
23 4, 2005 ("Petition Date") pending agreement with the lienholder, if any, or further order of the
24 Court:

<u>Quantit</u>	<u>Description</u>
<u>Y</u>	
(1)	HEIDELBERG SPEEDMASTER MULTI-COLOR PRINTING PRESS
(1)	POLAR SPPEDSTER PAPER CUTTER

Quantit y	Description
(1)	STAHL FOLDER
(1)	STAHL BINDER & STITCHER
(1)	HYSTER FORKLIFT 4000LB. CAPACITY
(1)	TOYOTA 3FGC80 FORKLIFT
(1)	FORKLIFT TRIPLE MAST - NO NAME BRAND
(1)	LOT OF APPROX. 40 SECTIONS OF PALLET RACKING
(1)	SIGNODE GENIUS TAPE MACHINE
(1)	JAGENBERG GLUING LINE
(2)	SHRINK WRAP TUNNELS
(1)	LOT OF ASSORTED INKS, PAPER, ETC.,
(1)	LIGHT TABLE
(1)	JAGENBERG ROTOASE PRESS #1044137
(1)	<i>TSAIR SHUENN BRAUSSE DIE CUTTER*</i>
(1)	<i>AGFA LP82 ULTRA PROCESSOR*</i>
(1)	<i>AGFA UNIVERSAL PLATE CONVEYOR*</i>
(1)	<i>AGFA GALEO PLATE MAKER*</i>
(1)	LOT OF ASSORTED COMPUTERS WITH MONITORS & KEYBOARDS
(1)	LOT OF CABINETS & FILE DRAWERS
(1)	LOT OF OFFICE DESKS, CHAIRS, SIDE TABLES, ETC.
(9)	VARIOUS SERVERS W/MONITORS
(1)	CVS COLOR VIEW STATION
(1)	CHEVY STAKE TRUCK
(3)	ASSORTED PALLET JACKS
(3)	PUSH CARTS
(1)	LOT OF OFFICE SUPPLIES

* Equipment may be subject to a lease. If the equipment is subject to a lease, permission shall be obtained from leasing company to sell the equipment if there is equity to the Estate. In the event that that the equipment is not sold at the auction sale, the Trustee is authorized to abandon the leased equipment as a Burdensome Asset (defined below) effective as of the date of conversion of the Debtor's bankruptcy case to a Chapter 7 proceeding on June 2, 2006 ("Conversion Date").

2. Through the sale of the Assets, the following liens of record shall be treated as

follows:

Lienholder	Description of Lien	Treatment
The Bank of Orange County 10101 Slater Ave Fountain Valley, CA	<p>UCC-1 financing statement filed with with the California Secretary of State on July 28, 1994, Filing No. 19944153608 and subsequent continuations, the most recent filed February 2, 2004, Filing No. 2004036C0802.</p> <p>Description of collateral: All inventory, chattel paper, accounts, contract rights, equipment and general intangibles whether any of the foregoing is owned now or acquired later; all accessions, additions, replacements and substitutions relating to any of the foregoing; all records of any kind relating to any of the foregoing; all proceeds relating to any of the foregoing.</p> <p>Pursuant to an Amendment filed October 13, 2005, Filing No. 95291C0412 the following collateral was released: Heidelberg, Model Kord, Serial #359540</p> <p>Pursuant to an Amendment filed April 9, 1997, Filing No. 1997101C136, the following collateral was released: Heidelberg, Model Sord, Serial #511127</p> <p>Pursuant to an Amendment filed February 13, 1998, Filing No. 1998049C0321, the following collateral was released: GTOV Heidelberg 4 Color Printing Press, Serial #686-926</p> <p>Pursuant to an Amendment filed April 7, 1998, Filing No. 1998098C0165, the following collateral was released: New Heidelberg Speedmaster 74-5+L Five Color Offset Press with In-Line Coating; and all additions attachments.</p> <p>Pursuant to an Amendment filed April 7, 2003, Filing No. 2003099C0146, the following collateral was released: One Used Heidelberg Speedmaster SM74-5 5 Color Press, #62215 and all additions attachments.</p>	The Bank of Orange County was paid in full on its note and filed a terminations of the UCC-1 on June 26, 2006. The Trustee is authorized to sell the Assets free and clear of this lien and none of the proceeds of the auction sale shall be deemed to be encumbered by this lien.

Lienholder	Description of Lien	Treatment
Security First Bank 141 West Bestanchury Fullerton, CA 92835	UCC-1 financing statement filed with the California Secretary of State on April 11, 1997, Filing No. 199710560935 and subsequent continuations, the most recent filed January 28, 2002, Filing No. 2002029C0193.	The Bank of Orange County was paid in full on its note and filed a terminations of the UCC-1 on June 26, 2006. The Trustee is authorized to sell the Assets free and clear of this lien and none of the proceeds of the auction sale shall be deemed to be encumbered by this lien.
The Bank of Orange County 10101 Slater Ave Fountain Valley, CA	Description of collateral: All inventory, chattel paper, accounts, equipment and general intangibles; together with the following specifically described property: One New Stahl Sticker, Model ST90-Serial No. 090JK0033, with six pockets, cover feeder, extra set of knives, extra set of stich heads, with card feeder, waste extraction blower and inner scoring wheel; one new Heidelberg Two Color Press, Model No. SM102-2P, Serial No. 539234, whether any of the foregoing is owned now or acquired later; all accessions, additions, replacements and substitutions relating to any of the foregoing; all proceeds relating to the foregoing.	
	Pursuant to an Assignment filed September 19, 1997, Filing No. 1997266C0349, and an assignment of 20.605% of the following collateral was released given to Security First Bank: new Heidelberg Two Color Press, Model No. SM102-2P, Serial No. 539234 as it related to the Loan Participation Agreement dated September 5, 1997 between the Bank of Orange County and Security First Bank.	
	Pursuant to an Amendment filed February 13, 1998, Filing No. 1998049C0232, the following collateral was released: GTOV Heidelberg 4 Color Printing Press Serial No. 686-926.	
	Pursuant to an Amendment filed April 7, 1998, Filing No. 1998098C0170, the following collateral was released: New Heidelberg Speedmaster 74-5+1. Five Color Offset Press with In-Line Coating; and all additions attachments and all of the proceeds of the foregoing.	
	Pursuant to an Amendment filed April 7, 2003, Filing No. 2003099C0149, the following collateral was released: One Used 1998 Heidelberg Speedmaster SM74-5 5 Color Press, Serial No. 622515; and all additions attachments and all of the proceeds of the foregoing.	
	Pursuant to an Amendment filed August 25, 2005, Filing No. 200570391495, the original UCC-1 financing statement was terminated with respect to Security First Bank and The Bank of Orange County	

1	<u>Lienholder</u>	<u>Description of Lien</u>	<u>Treatment</u>
2	The CIT Group/ Equipment Financing, Inc.	UCC-1 financing statement filed with the California Secretary of State on February 26, 1998, Filing No. 199806160059 and subsequent continuation filed February 10, 2003, Filing No. 2003044C0224.	Pursuant to Bankruptcy Code Sections 363(h) (1) and (f) the Trustee is authorized to sell the Assets free and clear of this lien and the Trustee shall hold the proceeds of the auction sale free and clear of this lien.
3	900 Ashwood Pkwy		
4	6th Floor Atlanta, GA	Description of collateral: New Heidelberg Speedmaster five color press 20X29 Mod SM74- 5+L, S/N: with CPC1/04 Alcolor dampening, rosys R/R system Rosys coating recirculator, gaffix alphatronic powder sprayer, graflix MSL-250 IR dryer, single zone inker temp control and all standard equipment; together with all additions, attachments, substitutions and replacements thereof plus the proceeds of all of the foregoing.	
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10		Pursuant to an Amendment filed January 14, 2004, Filing No. 200401SC0362, the original UCC-1 financing statement was terminated with respect to The CIT Group/ Equipment Financing, Inc.	
11			
12	Safeco Credit Co. Inc. dba Safeline Leasing	UCC-1 financing statement filed with the California Secretary of State on July 10, 2001. Filing No. 200119460346	Pursuant to Bankruptcy Code Sections 363(b) (1) and (f) the Trustee is authorized to sell the Assets free and clear of this lien and the Trustee shall hold the proceeds of the auction sale free and clear of this lien.
13	10915 Willows Rd NE Redmond, WA	Description of collateral: One Cat Forklift, Model GC15, S/N 2EM04246. Relates to Equipment Lease No. 001-109483	
14			
15			
16	Xerox Corporation 1301 Ridgeview Dr M/S 440	UCC-1 financing statement filed with the California Secretary of State on January 28, 2002, Filing No. 200202960231	This creditor has advised the Trustee that it has obtained possession of its collateral and therefore the Assets to be sold do not include any of the collateral of this creditor. The collateral under this lien shall be deemed abandoned by the Trustee effective as of the Conversion Date (defined below).
17	Lewisville, TX	Description of collateral: one Xerox 6135 PM-1, one Xerox CNTRLUL2C, one Xerox Digipath2 and two Xerox DIGIPCB together with any and all additions, substitutions, accessories or other different equipment added to or replacing part of the specified equipment, and all proceeds of the foregoing.	
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22	Xerox Corporation 1301 Ridgeview Bldg 300	UCC-1 financing statement filed with the California Secretary of State on September 23, 2002, Filing No. 200226760118 and Amendment filed November 23, 2002, Filing No. 2002318C1017 (to change party information)	This creditor has advised the Trustee that it has obtained possession of its collateral and therefore the Assets to be sold do not include any of the collateral of this creditor. The collateral under this lien shall be deemed abandoned by the Trustee effective as of the Conversion Date (defined below).
23	Lewisville, TX	Description of collateral: two Xerox 6115PM, two DTCNTRL-1, together with all parts, attachments, additions, replacements and repairs. Relates to equipment lease.	
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1	<u>Lienholder</u>	<u>Description of Lien</u>	<u>Treatment</u>
2	Citicorp Del Lease,	UCC-1 financing statement filed with the	In the event that this creditor agrees to have its
3	Inc. dba Citicorp	California Secretary of State on December 9, 2002,	collateral sold by the Trustee at the auction sale.
4	Dealer Finance	Filing No. 200234760482	pursuant to Bankruptcy Code Sections 363(b) (1)
5	450 Mamoroneck Ave	Description of collateral: One used Hyster Model	and (f) the Trustee is authorized sell the Assets free
6	Harrison, NY	#845, Serial No. D187V04379T - Standard Mast,	and clear of this lien. Otherwise, the collateral
7		42" forks, sideshifter	under this lien is a Burdensome Asset (defined
8			below) that the Trustee is authorized to abandon
9			effective as of the Conversion Date.
10	The CIT Group/	UCC-1 financing statement filed with the	Pursuant to Bankruptcy Code Sections 363(b) (1)
11	Equipment Financing,	California Secretary of State on March 19, 2003,	and (f) the Trustee is authorized to sell the Assets
12	Inc.	Filing No. 200307960307	free and clear of this lien and the Trustee shall hold
13	PO Box 27248	Description of collateral: One used 1998	the proceeds of the auction sale free and clear of this
14	Tempe, AZ 85248	Heidelberg Speedmaster SM74-5 5 Color Press, S/N	lien.
15		622515 and all attachments, replacements,	
16		substitutions, additions and accessions and the	
17		proceeds of all of the foregoing.	
18		Pursuant to an Amendment filed January 14, 2004,	
19		Filing No. 2004015C0364, the original UCC-1	
20		financing statement was terminated with respect to	
21		The CIT Group/ Equipment Financing, Inc.	
22	The CIT Group/	UCC-1 financing statement filed with the	Prior to the Conversion Date, pursuant to Court
23	Equipment Financing,	California Secretary of State on December 9, 2003,	order entered on or about April 25, 2006, this
24	Inc.	Filing No. 200334960541	creditor was granted relief from stay to exercise and
25	PO Box 27248	Description of collateral: one Heidelberg	enforce its remedies under applicable state law. The
26	Tempe, AZ 85248	Speedmaster CD 102-6-LX 6 Color Offset Printing	Trustee is advised that the underlying collateral
27		Press, S/N 543354 and all attachments,	related to this lien has been returned to the creditor.
28		replacements, substitutions, additions and	As such, the lien does not attach to the Assets and
29		accessions and the proceeds of all of the foregoing.	the Trustee is authorized to sell the Assets free and
30			clear of this lien.
31	Xerox Capital Services	UCC-1 financing statement filed with the	This creditor has advised the Trustee that it has
32	LLC	California Secretary of State on January 12, 2004,	obtained possession of its collateral and therefore the
33	1301 Ridgeview	Filing No. 200401560890	Assets to be sold do not include any of the collateral
34	Bldg 300	Description of collateral: one Xerox together with	of this creditor. The collateral under this lien shall
35	Lewisville, TX	any and all additions, substitutions, accessories and	be deemed abandoned by the Trustee effective as of
36		the proceeds of all of the foregoing.	the Conversion Date.
37			
38	Xerox Capital Services	UCC-1 financing statement filed with the	This creditor has advised the Trustee that it has
39	LLC	California Secretary of State on January 15, 2004,	obtained possession of its collateral and therefore the
40	1301 Ridgeview	Filing No. 200402160586	Assets to be sold do not include any of the collateral
41	Bldg 300	Description of collateral: one Xerox 6135 pm-1,	of this creditor. The collateral under this lien shall
42	Lewisville, TX	one Xerox cntru2c, one Xerox digipath2, one	be deemed abandoned by the Trustee effective as of
43		Xerox digipcb, one Xerox digipcb, together with	the Conversion Date.
44		any and all additions, substitutions, accessories and	
45		the proceeds of all of the foregoing.	

	Lienholder	Description of Lien	Treatment
1			
2	Xerox Capital Services LLC	UCC-1 financing statement filed with the California Secretary of State on January 15, 2004, Filing No. 200402160782	This creditor has advised the Trustee that it has obtained possession of its collateral and therefore the Assets to be sold do not include any of the collateral of this creditor. The collateral under this lien shall be deemed abandoned by the Trustee effective as of the Conversion Date.
3	1301 Ridgeview Bldg 300		
4	Lewisville, TX	Description of collateral: one Xerox 6115PM, two Xerox DTCNTRL-1, together with any and all additions, substitutions, accessories and the proceeds of all of the foregoing. Relates to equipment lease.	
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7	Xerox Capital Services LLC	UCC-1 financing statement filed with the California Secretary of State on February 5, 2004, Filing No. 200404160065	This creditor has advised the Trustee that it has obtained possession of its collateral and therefore the Assets to be sold do not include any of the collateral of this creditor. The collateral under this lien shall be deemed abandoned by the Trustee effective as of the Conversion Date.
8	1301 Ridgeview Bldg 300		
9	Lewisville, TX	Description of collateral: one Xerox 6115PM, together with any and all additions, substitutions, accessories and the proceeds of all of the foregoing.	
10			
11	Citicapital Technology Finance, Inc.	UCC-1 financing statement filed with the California Secretary of State on June 15, 2004, Filing No. 200417560279	In the event that this creditor agrees to have its collateral sold by the Trustee at the auction sale, pursuant to Bankruptcy Code Sections 363(b) (1) and (f) the Trustee is authorized to sell the Assets free and clear of this lien. Otherwise, the collateral under this lien is a Burdensome Asset that the Trustee is authorized to abandon effective as of the Conversion Date.
12	1255 Wrights Lane West Chester, PA		
13		Description of collateral: Microsoft SQL, Quantity. Model: Microsoft SQL	
14			
15	American Enterprise Leasing, Inc.	UCC-1 financing statement filed with the California Secretary of State on June 25, 2004, Filing No. 200418160799	In the event that this creditor agrees to have its collateral sold by the Trustee at the auction sale, pursuant to Bankruptcy Code Sections 363(b) (1) and (f) the Trustee is authorized to sell the Assets free and clear of this lien. Otherwise, the collateral under this lien is a Burdensome Asset that the Trustee is authorized to abandon effective as of the Conversion Date.
16	600 N Buffalo Grove Rd		
17	Buffalo Grove, IL	Description of collateral: equipment leased under lease agreement dated June 10, 2004, 1 ea. Primary Domain Controllers (PDC), 2 ea. Citrix Remote Management System Server, 1 ea. Services, together with any and all additions, substitutions, accessories and the proceeds of all of the foregoing	
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1	Lienholder	Description of Lien	Treatment
2	General Electric Capital Corporation - Troy 201 West Big Beaver Troy, MI	UCC-1 financing statement filed with the California Secretary of State on June 29, 2004, Filing No. 200418560028	In the event that this creditor agrees to have its collateral sold by the Trustee at the auction sale, pursuant to Bankruptcy Code Sections 363(b) (1) and (f) the Trustee is authorized to sell the Assets free and clear of this lien. Otherwise, the collateral under this lien is a Burdensome Asset that the Trustee is authorized to abandon effective as of the Conversion Date.
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12		Description of collateral: equipment under lease agreement as follows: SQL Server, 1U Rack Mount Server Configuration, Intel Dual Xeon 3.20 GHZ, 1MB L5 Cache, 4GB PC2700 DDR ECC Reg 333MHZ (2X2GB Dimms), 36GB SCSI U320 15K RPM, Qty3, LSI Logic 64 Bit Fibre Channel Dual Channel Controller, Raid 5 Hard Drive Configuration, Microsoft Windows 2003 Server W/15 CAL, Microsoft Select SQL Server Enterprise Soft Assurance, Norton Anti-Virus Corp Ed, Integrated Dual Giga Port Ethernet, 40W EPS 12 V Redundant Power Supply, File/Admin Server, 1U Rack Mount Server Configuration, Dual Intel Xeon 2.80 GHZ 512K L2 Cache, 4GB PC3200 ECC 400 MHZ DDR (4X1GB Dimms), 76.4 GB U320 SCSI 10K RPM Qty 3, Raid 5 Hard Drive Configuration, Microsoft Windows 2003 Server W/CAL, Redundant 500W Power Supply, Norton Anti-Virus Corp Ed, Intel Pro 1000MT Dual Port Gigabit Network Adapter, Storage Server, 2U Rack Mount Server Configuration, Intel Dual Xeon 3.06 GHZ 1MB L3 Cache, 2GB PC2700 DDR ECC Reg 333 MHZ (2X1GB Dimms) 146.6GB SCSI 10K RPM Hotswap 80-Pin Qty 6, Raid 5 Hard Drive Configuration, LSI Logic 64-Bit Fibre Channel Dual Channel Controller, Microsoft Windows 2003 Server Edition W/25 CAL, Norton Anti-Virus Corp Ed, Intel Pro 1000MT Dual Port Gigabit Network Adaptor, Redundant 500W Power Supply	
19	MAC Land-Lease, Inc. dba MAC Factor PO Box 5307 Garden Grove, CA 92846	UCC-1 financing statement filed with the California Secretary of State on August 17, 2004, Filing No. 20041001931332 and Amendment filed September 26, 2005, Filing No. 200570432984 (to change secured party of record to America's Factors, Inc.)	The Trustee is authorized sell the Assets free and clear of this lien with such lien to attach to the auction sale proceeds in the same validity and priority as prior to the Petition Date. The satisfaction of this lien shall be made as provided in this Order below.
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	America's Factors, Inc. PO Box 2528 Santa Fe Springs, CA	Description of collateral: all presently existing or hereafter arising, now or owned or hereafter acquired accounts, accounts receivable, contract rights, chattel paper, documents, instruments, equipment, inventory, deposit accounts, reserves, reserve accounts, rebates, and general intangibles, and all books and records pertaining to accounts and all proceeds of the foregoing.	

1	Lienholder	Description of Lien	Treatment
2	AGFA Corp 200 Ballardvale St Wilmington, MA	UCC-1 financing statement filed with the California Secretary of State on October 4, 2004, Filing No. 2004100568992 Description of collateral: Galileo Automatic; Proactive Server Platform 2 Box Workflow Bundle; Rampage Export Option for DCS2 and Accessories. Relates to lease that is held to be a secured transaction under the Uniform Commercial Code.	Subject to Court approval, the Trustee has entered into a stipulation for relief from stay to allow this creditor to take possession of the collateral. Upon entry of this Order, the Trustee shall be deemed to have abandoned this creditor's collateral effective as of the Conversion Date.
7	Citicapital Technology Finance, Inc. 1255 Wrights Lane West Chester, PA	UCC-1 financing statement filed with the California Secretary of State on October 13, 2004, Filing No. 20047000078955 Description of collateral: PCXI 6 Slot chassis2-PCXI 12 Port Ext. Board2 - PCXG 4 Truck Lines/8, Exv6 Voice Ports/2 VoIP Ports1 - 1 Port T1 Interface Board34-PT 39D Handsets1 - 10 Port VoIP Board10 - Mdel 101 IP Telephones	In the event that this creditor agrees to have its collateral sold by the Trustee at the auction sale, pursuant to Bankruptcy Code Sections 363(b) (1) and (f) the Trustee is authorized to sell the Assets free and clear of this lien. Otherwise, the collateral under this lien is a Burdensome Asset that the Trustee is authorized to abandon effective as of the Conversion Date.
12	National Machine Tool Financial Corporation 80 North Gordon Elk Grove Village, IL	UCC-1 financing statement filed with the California Secretary of State on January 14, 2005, Filing No. 20057012239615 Description of collateral: One used 1999 Brausse SBL 1050 SE 41" x 29" Die Cutter and Creaser SN 99641 including all attachments and accessories.	Subject to Court approval, the Trustee has entered into a stipulation for relief from stay to allow this creditor to take possession of the collateral. Upon entry of this Order, the Trustee shall be deemed to have abandoned this creditor's collateral effective as of the Conversion Date.
17	TCF Leasing, Inc. 11100 Wayzata Blvd Suite 801 Minnetonka, MN	UCC-1 financing statement filed with the California Secretary of State on March 22, 2005, Filing No. 20057020111411 Description of collateral: 1984 Post Folder/Glue Model #CP/FL 54" mactron glue system including three heads	In the event that this creditor agrees to have its collateral sold by the Trustee at the auction sale, pursuant to Bankruptcy Code Sections 363(b) (1) and (f) the Trustee is authorized to sell the Assets free and clear of this lien. Otherwise, the collateral under this lien is a Burdensome Asset that the Trustee is authorized to abandon effective as of the Conversion Date.
21	Alfa Financial Corporation dba OFC Capital 576 Colonial Park Dr Suite 200 Roswell, GA	UCC-1 financing statement filed with the California Secretary of State on May 3, 2005, Filing No. 20057025750061 Description of collateral: Xerox 6115 Print Module, Serial No. H2L-113579; Sun Blade 2500 Processor, Serial No. PVK-540211; Xerox 6115 Print Module, Serial No. H2L-112307; Sun Blade 1000 Processor, Serial No. LPT-032865; Xerox 6114 Print Module, Serial No. H2L-112438; Sun Blade 1000 Processor, Serial No. LPT-032866; Digipath PC, Serial No. UW8-522182; Digipath PC, Serial No. UW8-522203; Digipath System, Serial No. UW7-886937	This creditor has advised the Trustee that it has obtained possession of its collateral and therefore the Assets to be sold do not include any of the collateral of this creditor. The collateral under this lien shall be deemed abandoned by the Trustee effective as of the Conversion Date.

1	Lienholder	Description of Lien	Treatment
2	William Knoke PO Box 122 Agoura Hills CA 91376	Judgment Lien filed with the California Secretary of State on August 4, 2005, Filing No. 057037027677	Pursuant to Bankruptcy Code Sections 363(b) (1) and (f) the Trustee is authorized to sell the Assets free and clear of this lien with such lien to attach to the auction sale proceeds in the same validity and priority as of the Petition Date pending agreement with the lienholder or further order of the Court.
6	Xerox Corporation c/o Ross A. Spector, Esq. Spector & Bennett 50 California Street, 15th Floor San Francisco, CA 94111	Judgment Lien filed with the California Secretary of State on September 14, 2005, Filing No. 057042083807	Pursuant to Bankruptcy Code Sections 363(b) (1) and (f) the Trustee is authorized to sell the Assets free and clear of this lien with such lien to attach to the auction sale proceeds in the same validity and priority as of the Petition Date pending agreement with the lienholder or further order of the Court.
10	Hall/Retberg Properties 3012 S Crocky Way Santa Ana, CA 92704	UCC-1 financing statement filed with the California Secretary of State on September 19, 2005, Filing No. 20057042512167 Description of collateral: one Heidelberg Two Color Press, Model SM102-2P, Serial No. 539234; one Stahl Stücher, Model ST90, Serial No. 090JK0033 with 6 pockets Cover Feeder, Card Feeder, Waste Extraction Blower and inner Scoring Wheel; one Stihl B-26 Folder, Model TF33.3 4/4/4, Machine No. 48867 220010; one Polar Paper Cutter, Model 115 EMC, Serial No. 5631178	Pursuant to Bankruptcy Code Sections 363(b) (1) and (f) the Trustee is authorized to sell the Assets free and clear of this lien with such lien to attach to the auction sale proceeds in the same validity and priority as of the Petition Date pending agreement with the lienholder or further order of the Court.
17	Norman Sipple 7661 Postoria St Downey, CA 90241-3240	No perfected lien Description of alleged collateral: Juggenberg 105-I Diana gluer; pallet hand trucks; four automatic tapers; one Atlas safe; fork lift; three Franklin Hot Stamp presses.	Pursuant to Bankruptcy Code Sections 363(b) (1) and (f) the Trustee is authorized to sell the Assets free and clear of the alleged interests or lien of Norman Sipple with such alleged interests or lien to attach to the auction sale proceeds in the same validity and priority as of the Petition Date. The Trustee shall segregate the proceeds from the sale of these assets pending further order of the Court.

3. The Assets shall be sold by the Trustee on an "as is - where is" basis without representations or warranties of any kind, express or implied, being given by the Trustee or the Estate.

4. The proposed Exclusive Authorization to Conduct a Public Action ("Auction Contract"), a copy of which is attached hereto as Exhibit A, is approved and the Trustee is authorized to enter into the Auction Contract for the employment of the Auctioneer CMA

1 Business Credit Services/Asset Liquidation Division as the Trustee's auctioneer ("Auctioneer")
2 to coordinate the auction sale pursuant to the terms of this Order.

3 5. The terms for compensation for the Auctioneer as provided in the Auction
4 Contract are approved.

5 6. As to any Assets subject to a leasehold interest, provided that there is equity for
6 the Estate and the lessor consents to the sale, the Trustee is authorized to sell such leased Asset
7 free and clear of the leasehold interest.

8 7. Any and all rights of the Trustee and the Estate under Bankruptcy Code Section
9 506(c) to surcharge the collateral of lienholders for the costs the Estate may have incurred in the
10 maintenance, preservation or liquidation of their respective collateral are hereby preserved.

11 8. With regards to assets of the Estate located at the Debtor's business premises at
12 3012 South Croddy Way, Santa Ana, California 92704 ("Business Premises") that are not sold at
13 the auction sale (collectively the "Burdensome Assets"), the Trustee is authorized to abandon the
14 Estate's interest in such Burdensome Assets effective as the Conversion Date. In the event that a
15 lessor, secured party or other interest holder of a Burdensome Asset has not removed their
16 collateral constituting a Burdensome Asset from the Business Premises by the auction sale date
17 of July 20, 2006, the Trustee's Auctioneer is authorized to dispose of such Burdensome Assets
18 and neither the Auctioneer nor the Trustee will have any financial or responsibility for the loss,
19 damage or destruction of the Burdensome Assets that constitute the collateral of a lessor, secured
20 party or other interest holder.

21 9. The Trustee is authorized to use the cash on hand in the Estate and the proceeds of
22 the auction sale that may consist of the alleged cash collateral of America's Factors, Inc.,
23 assignee of MAC Lend-Lease, Inc. dba MAC Factor (collectively America's Factors"), Xerox
24 Corporation and/or William Knoke to make the following disbursements in the following order:

25 a. To pay for necessary insurance coverage for Debtor's Business Premises and
26 equipment located at the Business Premises in an amount not to exceed \$6,431.95.

27 b. To the Debtor's landlord Finch/CA Properties LLC in the amount of
28 \$15,473.47 as administrative rent for June 2006 and each month thereafter through the date

1 Finch/CA Properties LLC receives possession of the Business Premises back in broom clean
2 condition in compliance with the terms of the Rent Stipulation (defined below).

3 c. To pay the Auctioneer's compensation and expenses pursuant to the terms of
4 the Auction Contract.

5 d. To pay the lien of America's Factors, Inc., assignee of MAC Lend-Lease, Inc.
6 dba MAC Factor (collectively "America's Factor") in the amount of \$39,376.36 (which amount
7 includes attorneys' fees and interest) as of June 26, 2006, plus reasonable attorneys fees and
8 interest accruing thereafter. Such payment to America's Factors shall constitute payment in full
9 of the lien of America's Factors against any and all assets of the Debtor's Estate and in full
10 satisfaction of the any and all claims of America's Factors against the Estate. America's Factors
11 shall not be entitled to any other distributions from the Debtor's Estate.

12 10. The Trustee is authorized to execute any and all documents in order to effectuate
13 the sale of the Assets pursuant to the terms of this Order and to perform all obligations as the
14 seller of the Assets.

15 11. In recognition of the need to effect a closing of the sale as quickly as possible,
16 Federal Rule of Bankruptcy Procedure 6004(g) is waived with regard to the sale of the Assets
17 and such sale may take place immediately upon entry of this Order, unless a party in interest
18 obtains a stay pending appeal prior to the end of the auction sale.

19 ////

20 ////

21 ////

22 ////

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28

1 12. The Stipulation to Payment of Administrative Rent; Auction Sale and Removal of
2 Personal Property ("Rent Stipulation"), a copy of which is attached hereto as Exhibit B, is
3 hereby approved. The parties shall comply with the terms of the settlement. The Trustee is
4 authorized to sign any and all documents to carry out the terms of the Rent Stipulation, including
5 but not limited to the Rent Stipulation.

6
7 Dated:

8 JUN 30 2006


9 JOHN E. RYAN
10 UNITED STATES BANKRUPTCY JUDGE

11 NO OBJECTION.

12
13 AMERICA'S FACTORS, INC., assignee of
14 MAC LEND-LEASE, INC. dba MAC FACTOR

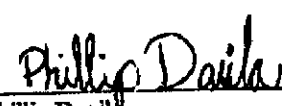
15 
16 Phillip Davila
17 Manager of America's Factors, Inc., Assignee of
18 MAC Lend-Lease, Inc. dba MAC Factor

EXHIBIT A
Auction Contract

EXCLUSIVE AUTHORIZATION TO CONDUCT A PUBLIC AUCTION

CMA Business Credit Services / Asset Liquidation Division ("Auctioneer") and

Karen Sue Naylor, Esq.
Solely in Her Capacity as the Chapter 7 Trustee for the
Bankruptcy Estate of: Industrial Printers of California, Inc.
Bankruptcy Case No.: SA 05-17711 JR
P.O. Box 504
Santa Ana, CA 92702

("Seller"), agree as follows:

1. **REPRESENTATION: TERMS OF SALE:** Auctioneer shall represent Seller in connection with a piece-meal auction (the "Auction") of the following (the "Assets"): Assorted Printing Equipment & Machinery, Racking, Office Furniture & Office Equipment, Forklifts, & Trucks, per Exhibit "A", remaining assets from the operations of Industrial Printers of California, Inc., located at 3012 S. Croddy, Santa Ana, CA 92704.
2. **COMMISSION:** The Assets shall be sold by the piece, and by the lot. Auctioneer shall receive a 12.5% Buyer's Premium of the gross proceeds of the sale. Per pre-auction agreement, The "Seller" has a bid in hand for \$150K for the Heidelberg 2-Color Press, Stahl Folder, Stahl Binder and Polar Cutter. Another party has approached the "Seller" and has increased the bid to \$171K. These two parties, (Centsible Printing & Ben Franklin Press) should be the only two parties that have an opportunity to bid outside the Auction. To enable the high offer of \$171K to be considered, the "Seller" must have received prior to auction, a \$25,000 deposit from the Buyer (deposit refundable only if higher bid is received by auctioneer). CMA will announce at auction that it has a bulk bid on certain pieces of equipment, (Heidelberg 2-Color Press, Stahl Folder, Stahl Binder and Polar Cutter) and will invite any other bids in bulk on the same pieces of equipment. CMA will offer for sale the same equipment on a piece meal basis in the ordinary course of the auction. If the total of the piece meal bids exceeds the amount of the bulk bid(s), then the equipment will be sold piecemeal. Alternatively, if the total of the piece meal bids is less than the bulk bid, then the equipment will be sold in bulk to the buyer who made the highest bulk bid. If that Buyer is the "Sellers" buyer, then CMA will not be entitled to a fee on that portion of the sale, as the process failed to create value. Otherwise, CMA is entitled to its normal fee as stated above on all other items sold at auction.
3. **WARRANTIES:** The Assets shall be sold "as is, where is and without warranty," and with such additional disclaimers of warranty or other disclaimers as Seller shall specify.
4. **ADVERTISING:** Auctioneer shall advance all funds necessary for advertising. All advertising expenses, not to exceed \$5,750.00, shall be reimbursed to Auctioneer from the gross proceeds of the sale upon documented evidence (such as copies of actual invoices and/or receipts) of the actual advertising costs incurred being provided to the Seller.
5. **LABOR, TRANSPORTATION, RELATED EXPENSES:** Auctioneer shall advance all funds necessary for labor and sale preparation (which shall include pre-Auction set-up, utilization of temporary help and post-Auction check-out). All expenses advanced by Auctioneer for labor, mileage, supplies, insurance premiums, any bond premiums and any and all other costs relating to sale preparation shall not exceed \$11,450.00, and shall be reimbursed to Auctioneer from the gross proceeds of the sale upon documented evidence (such as copies of actual invoices and/or receipts) of the actual expenses incurred being provided to the Seller.
6. **DIRECT COSTS/CLEAN UP AND DEADLINE FOR BROOM SWEEP CLEAN:** Auctioneer shall advance all estimated direct costs for clean up of the premises where the Auction is conducted and shall be responsible for leaving the building in broom clean condition. Hazardous waste

Exclusive Authorization to Conduct a Public Auction
06/23/06
Page 2

removal, trash bins, and broom sweep clean-up, is estimated not to exceed \$6,875.00, and shall be reimbursed from the auction proceeds upon documented evidence (such as copies of actual invoices and/or receipts) of the actual costs incurred being provided to the Seller. Additionally, recording, packing and storage cost for one year is estimated at \$3,245.00 and shall be reimbursed to Auctioneer from the gross proceeds of the sale. Documented evidence (such as copies of actual invoices and/or receipts) of the actual recording, packing and storage costs shall be provided to Seller and any unused funds allocated for recording, packing and/or storage costs shall be reimbursed to Seller. In light of commitments made by the Seller to the landlord of the premises where the Auction will be conducted, the Auctioneer shall leave the Auction sale premises in broom clean condition no later than July 30, 2006.

7. **SALES PRE- OR POST-AUCTION:** Auctioneer shall be entitled to an equal fee on each sale generated pre- or post-Auction. Neither Auctioneer nor Seller shall accept a pre- or post-Auction bid without mutual consent and the approval of the bankruptcy court.

8. **COLLECTION AND DISBURSEMENT OF AUCTION PROCEEDS:** Auctioneer shall collect all gross proceeds of the sale and deposit them into a depository maintained by Auctioneer. All applicable sales taxes shall be paid out of such depository, and seller shall be issued a full auction accounting report along with a check for all the net proceeds (defined as gross proceeds, less auctioneer's fees and expenses; reimbursement pursuant to paragraphs 2, 4, 5, 6, and 7 above, and less applicable sales taxes.) by no later than July 31, 2006.

9. **SCHEDULED DATE OF THE AUCTION AND LOCATION:** The Auction shall be held on *Thursday, July 20th, 2006 beginning at 10:30 a.m. at 3012 S. Croddy, Santa Ana, CA.* It is the Trustee responsibility to obtain landlord consent to conduct the auction.

10. **PERMITS AND LICENSES:** Auctioneer shall be responsible for obtaining all necessary city, state and municipal licenses and permits for the Auction.

11. **STANDARDS:** The Auction shall be conducted in a commercially reasonable manner and in good faith, with the professional standards and expectations of the auction industry, in accordance with Section 2328 of the California Uniform Commercial Code, Section 5.35 of the Penal Code and the provisions of the California Civil Code, and in accordance with all state and local laws. However, Auctioneer does not guarantee that any sale will be made, and Auctioneer is not responsible in the event that a buyer fails to live up to its agreement. Auctioneer shall have no objection to third parties making a record of the Auction sale by use of a video camera or other means.

12. **PRE-SALES ESTIMATES:** Seller acknowledges that pre-sale estimates are only that, and are not guarantee of price at auction.

13. **INSURANCE:** Auctioneer shall arrange for the appropriate insurance coverage and advance the cost for the appropriate insurance coverage, which cost shall be reimbursed to Auctioneer from the Auction proceeds. The cost for insurance coverage is included in the estimate of Labor, Transportation, Related Expenses in paragraph 5 above and shall not be in addition to such expenses. In the event of loss, damage or destruction prior to sale at Auction, precluding the sale of all or any assets at Auction, Auctioneer shall not be entitled to any Auction commission under Paragraph 2 above, on such lost, damaged or destroyed assets. In the event of loss, damage or destruction of all or any or any assets after sale at Auction, Auctioneer shall be entitled to its full Auction commission under Paragraph 2 above, on such lost, damaged or destroyed assets provided that the Seller receives insurance proceeds sufficient to pay such commission and all insurance proceeds received to cover such commission shall be payable and paid directly to Auctioneer. Finally, any loss, damage or destruction of all of any assets (whether before or after Auction) shall not affect Seller's obligation to

Exclusive Authorization to Conduct a Public Auction
06/23/06
Page 3

reimburse Auctioneer for its expense advances under Paragraphs 4, 5, and 6 above provided that the Seller receives insurance proceeds sufficient to cover such expense advances. All insurance proceeds received to cover such reimbursements shall be payable and paid directly to Auctioneer. Seller shall be responsible for negotiating any adjustment, settlement, payment, cancellation or reformation with the insurer. Auctioneer will carry worker's compensation insurance for CMA Business Credit Services/Asset Liquidation Division employees in compliance with all applicable state and local laws.

14. **ATTORNEY'S FEES:** If any action at law or in equity is brought to enforce the terms of this agreement, the prevailing party will be entitled to reasonable attorney's fees and expense, including fees and expenses upon appeal.

15. **ADDITIONAL AUCTION INVENTORY:** Seller acknowledges that Auctioneer may, at his discretion, enhance the sale with additional items to increase public attendance.

16. **USE OF TRADE NAMES:** CMA Business Credit Services/Asset Liquidation Division can use the trade name(s) *Industrial Printers of California, Inc.* in the Auction brochure and all media advertising in conjunction with this sale.

17. **INDEMNIFICATION:** Seller agrees to indemnify and hold Auctioneer harmless from any and all liability and loss that Auctioneer may sustain as a result of claims, demands, costs or judgment, except those due to Auctioneer's willful conduct or misconduct or gross negligence, arising from or in connection with the Auction or advertising of the same, including without limitation, sales tax claims, claims of creditors or Seller (or its customers) or affiliates or insiders of same.

18. **MODIFICATIONS TO CONTRACT:** This agreement constitutes the entire agreement concerning the subject matter hereof. No modification or waiver hereof shall be binding unless in writing and signed by or on behalf of both parties.

19. **BINDING ARBITRATION:** The venue with respect to any dispute relating to this agreement shall be the United States Bankruptcy Court for the Central District of California.

CMA Business Credit Services/Asset Liquidation Division employs only licensed and bonded California Auctioneers. The Auctioneer and the Auction company have a bond on file with the Secretary of State.

Seller will seek Bankruptcy Court authority to sell the Assets at the Auction free and clear of all liens, claims and encumbrances at time of Auction provided that written consent for the auction sale is obtained from all parties asserting such liens, claims and encumbrances against the Assets sold. In event it is determined there is no equity for the bankruptcy estate and/or the written consent for auction sale of a particular Asset is not obtained from party asserting a liens, claim or encumbrances, then that particular Assets shall not be sold. Without waiving the foregoing, CMA Business Credit Services/Asset Liquidation Division is authorized to expend up to \$200 of the sales proceeds as necessary to clear title, to obtain permission to sell free of any liens, with the lien(s) attaching to the sale proceeds, to terminate any UCC filings, security agreements, and/or liens and attachments. Sale of business assets will comply with the requirements of California Commercial Code §9504(3) and shall be (1) in good faith, (2) conducted in a commercially reasonable manner, and (3) with proper notice.

The undersigned accepts the foregoing under the described upon terms and conditions set forth and acknowledges receipt of a copy.

[SIGNATURES ON ATTACHED]

Exclusive Authorization to Conduct Public Auction
06/23/06
Page 4

Dated: _____

CMA BUSINESS CREDIT SERVICES
ASSET LIQUIDATION DIVISION
40 East Verdugo Avenue, Burbank, California 91502-1931
Telephone: 818-972-5353
("Auctioneer")

By: _____
Robert Hoder, its; Vice President and Corporate Secretary

("Seller")

By: _____
Karen S. Naylor, solely in her capacity as the Trustee
for the bankruptcy estate of Industrial Printers of California, Inc.
Chapter 7 Case No. SA 05-17711 JR

Bankruptcy Estate's Federal I.D. Number: _____

EXHIBIT B

Rent Stipulation

1 GLEN DRESSER, CSB #60994
2 LAW OFFICES OF GLEN DRESSER
3 12650 Riverside Drive, Suite 100
4 North Hollywood, CA 91607-3421
5 (818) 755-4848

6 Attorney for
7 FINCH/CA PROPERTIES, LLC

8 UNITED STATES BANKRUPTCY COURT
9 CENTRAL DISTRICT OF CALIFORNIA
10 SANTA ANA DIVISION

11 In Re:

12 INDUSTRIAL PRINTERS OF
13 CALIFORNIA, INC.,

14 Debtor.

Chapter 7
Case No. SA05-17711 JR

STIPULATION TO PAYMENT OF
ADMINISTRATIVE RENT; AUCTION
AND REMOVAL OF PERSONAL
PROPERTY; ORDER THEREON

15 FINCH/ CA PROPERTIES, LLC

16 Movant,

17 vs.

18 INDUSTRIAL PRINTERS OF
19 CALIFORNIA, INC.

20 Respondent.

Hearing Date:

Date:
Time: [No Hearing Set]
Room:

21
22 TO THE HONORABLE JOHN RYAN, UNITED STATES BANKRUPTCY JUDGE:
23 FINCH/CA PROPERTIES, LLC (the "Lessor") and KAREN NAYLOR, AS
24 CHAPTER 7 TRUSTEE ("Trustee") OF INDUSTRIAL PRINTERS OF CALIFORNIA, INC. (the
25 "Debtor"), (Collectively referred to as the "Parties") hereby stipulate and agree as follows:
26
27
28

STIPULATION TO PAYMENT OF RENT, ETC.
EXHIBIT B

master form 14011996

RECITALS

THIS STIPULATION IS MADE WITH RESPECT TO THE FOLLOWING FACTS:

1. This case was commenced by the filing of a voluntary petition under Chapter 11 of the bankruptcy code. It was subsequently converted to Chapter 7 on May 30, 2006.
2. Karen Naylor is the duly appointed and acting Chapter 7 Trustee.
3. The Debtor was the Lessee of the premises commonly known as 3012 S. CRODDY WAY, SANTA ANA, CA (the "Premises") consisting of a manufacturing and warehouse facility.
4. Prior to the conversion of the case to Chapter 7, the Lessor entered into a stipulation and order with the Debtor that provided, *inter alia*, that the automatic stay was terminated with respect to the Premises and that the Lessor could dispose of any personal property left on the Premises in accordance with state law. The stipulation further provided that the Debtor could remain in possession so long as current rent was paid, but that it would surrender possession in the event of a default.
5. The Debtor defaulted on the payment of May rent and surrendered possession to the Lessor on May 18, 2006.
6. The contract rent for the Premises is \$13,011.47 base rent plus \$2,462.00 CAM charge per month for a total of \$15,473.47.
7. Since the conversion of the case the Trustee has not paid any administrative rent for the use of the Premises. The Trustee has further requested permission from the Lessor to conduct an auction sale on the Premises. The personal property of the Debtor uses substantially all the Premises such that it is not useable for any other purpose.
8. Based upon offers received, the Trustee believes that personal property has a value in excess of \$170,000 and that the undisputed secured claims against it are approximately \$40,000. The Trustee is also holding cash of approximately \$48,000 that is also subject to the same blanket lien.
9. The costs of removing the personal property to another location for sale would be

STIPULATION TO PAYMENT OF RENT, ETC.
EXHIBIT B

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substantial. The Trustee has estimated that the time necessary to notice and conduct a sale is approximately 45 days.

10. The Lessor is concerned that the Trustee may ultimately be unable to complete a sale or pay the administrative rent. The payment delays are causing the Lessor serious financial hardship and the continued presence of the personal property is impairing the Lessor's ability to mitigate its damages.
11. To induce the Lessor to consent to an auction sale on the Premises and forebear on receipt of a portion of its administrative rent claim until the sale is completed, the Trustee and Lessor have entered into the following stipulation.

NOW THEREFORE IT IS AGREED THAT THE COURT ORDER AS FOLLOWS

1. The Trustee shall pay the Lessor \$15,473.47 as administrative rent for June 2006 and each month thereafter as provided herein.
2. The Trustee will request permission to conduct the sale and approve this stipulation by June 23, 2005 by ex parte application for order shortening time.
3. The Trustee will conduct an auction on the Premises by July 20, 2006 and leave the Premises in broom clean condition by July 31, 2005. This includes removal of any containers with toxic materials left on the Premises.
4. Payment of June rent shall be made as soon as the Trustee from cash on hand as soon as she hold funds in excess of the secured claim of America's Factors, Inc dba Mac Factors or upon court authorization, whichever occurs first. The balance of administrative rent due shall be remitted by the Trustee to the Lessor not later than 5 days following receipt of funds from the auctioneer employed by the estate. In the event that the Trustee fails to remit within the deadline, the estate shall pay the amount due to Lessor plus an additional 20%.
5. If the Trustee has not conducted an auction of all personal property on the Premises by July 20, 2006 then the Lessor may its own auction sale under state law. The

STIPULATION TO PAYMENT OF RENT, ETC.

EXHIBIT B

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scheduling of the Lessor's sale may shadow the Trustee's sale as a backup.

6. The estate shall pay administrative rent through the date the Lessor receives possession back in broom clean condition.

7. If Lessor is not given possession in broom clean condition by July 31, 2006 the administrative rent will increase by 25%, calculated on a per diem basis, until clean up is completed.

8. If the Trustee shall fail to file its motion for approval of this stipulation by June 23, 2006 or at least partial payment for June is not received by June 30, 2006, or the stipulation is not approved by June 30, 2006, then Lessor may proceed with its auction sale in accordance with state law forthwith. Such sale shall not affect the liability of the estate for accrued administrative rent.

9. This stipulation may be signed in counterparts.

DATED: June 21, 2006

By: GLEN DRESSER, ESQ.
Attorney for FINCH/ CA PROPERTIES, LLC

DATED: June 21, 2006

By: LEONARD SHULMAN, ESQ.
Attorney for KAREN NAYLOR, CHAPTER 7
TRUSTEE

Upon reading the above stipulation and good cause appearing

IT IS SO ORDERED

DATED: June __, 2006

HONORABLE JOHN RYAN
UNITED STATES BANKRUPTCY
JUDGE

STIPULATION TO PAYMENT OF RENT, ETC.
EXHIBIT B

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF ORANGE

I am employed in the City of Foothill Ranch, County of Orange, State of California. I am over the age of 18 years and not a party to the within action. My business address is 26632 Towne Centre Drive, Suite 300, Foothill Ranch, California 92610.

On June 29, 2006, I served the documents named below on the parties as follows:

DOCUMENT(S) SERVED:

ORDER AUTHORIZING THE TRUSTEE TO:

- (1) CONDUCT AN AUCTION SALE OF ASSETS OF THE ESTATE FREE AND CLEAR OF LIENS PURSUANT TO BANKRUPTCY CODE SECTION 363(b) AND (f);**
- (2) EMPLOY AUCTIONEER AND PAY COMPENSATION TO THE AUCTIONEER;**
- (3) AUTHORIZING ABANDONMENT OF CERTAIN ASSETS;**
- (4) APPROVING STIPULATION TO PAYMENT OF ADMINISTRATIVE RENT; AUCTION SALE AND REMOVAL OF PERSONAL PROPERTY;**
- (5) APPROVING USE OF CASH COLLATERAL FOR PAYMENT OF INSURANCE AND ADMINISTRATIVE RENT;**
- (6) AND GRANTING RELATED RELIEF**

SERVED UPON:

SEE THE ATTACHED SERVICE LIST

- **(BY MAIL)** I caused each such envelope, with postage thereon fully prepaid, to be placed in the United States mail at Foothill Ranch, California. I am readily familiar with the practice of Shulman Hodges & Bastian LLP for collection and processing of correspondence for mailing, said practice being that in the ordinary course of business, mail is deposited in the United States Postal Service the same day as it is placed for collection. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.
- **(FEDERAL)** I declare that I am employed in the office of a member of the bar of this court, at whose direction this service was made.

Executed on June 29, 2006, at Foothill Ranch, California.


Lorre E. Clapp

SERVICE LIST

Interested Party

United States Trustee
Ronald Reagan Federal Building
and United States Courthouse
411 West Fourth Street Suite 9041
Santa Ana, CA 92701-8000

Debtor

Industrial Printers Of California Inc
Scott Rettberg, Director
3012 S Croddy Way
Santa Ana, CA 92704

Chapter 7 Trustee

Karen Sue Naylor, Trustee
Post Office Box 504
Santa Ana, CA 92702

**Attorneys for America's Factors, Inc., Assignee of
MAC Lend-Lease, Inc. dba MAC Factor**

Byron G Nelson Esq
220 Avenue I Lower Level
Redondo Beach CA 90277

**Manager for America's Factors, Inc., Assignee of
MAC Lend-Lease, Inc. dba MAC Factor**

Phillip Davila
10430-26 Pioneer Beulevard
Santa Fe Springs, CA 90670-8244

Attorneys for Hall-Rettberg Properties

Murray Robertson, Esq.
Borchard & Callahan, APC
25909 Pala Ste 300
Mission Viejo CA 92691

Notice Purposes

Norman Sipple
7661 Postoria St
Downey, CA 90241-3240

Alleged Secured Claim

William Knoke
PO Box 122
Agoura Hills CA 9 376

Attorneys for Xerox Corporation

Ross A. Spector, Esq.
Spector & Bennett
50 California Street, 15th Floor
San Francisco, CA 94111

In re INDUSTRIAL PRINTERS OF CALIFORNIA, INC., dba IPG (Industrial Printing Group) Debtor.	CHAPTER 7 CASE NUMBER: SA 05-17711 JR
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**NOTICE OF ENTRY OF JUDGMENT OR ORDER
AND CERTIFICATE OF MAILING**

TO ALL PARTIES IN INTEREST ON THE ATTACHED SERVICE LIST:

1. You are hereby notified, pursuant to Local Bankruptcy Rule 9021-1(a)(1)(E), that a judgment or order entitled (*specify*):

ORDER AUTHORIZING THE TRUSTEE TO:

- (1) CONDUCT AN AUCTION SALE OF ASSETS OF THE ESTATE FREE AND CLEAR OF LIENS PURSUANT TO BANKRUPTCY CODE SECTION 363(b) AND (f);
- (2) EMPLOY AUCTIONEER AND PAY COMPENSATION TO THE AUCTIONEER;
- (3) AUTHORIZING ABANDONMENT OF CERTAIN ASSETS;
- (4) APPROVING STIPULATION TO PAYMENT OF ADMINISTRATIVE RENT; AUCTION SALE AND REMOVAL OF PERSONAL PROPERTY;
- (5) APPROVING USE OF CASH COLLATERAL FOR PAYMENT OF INSURANCE AND ADMINISTRATIVE RENT;
- (6) AND GRANTING RELATED RELIEF

was entered on (*specify date*): **JUN 30 2006**

2. I hereby verify that I mailed a copy of this notice and a true copy of the order or judgment to the persons and entities on the attached service list on (*specify date*): **JUN 30 2006**

Dated: **JUN 30 2006**

**JON D. CERETTO
CLERK OF THE BANKRUPTCY COURT**

By: 
Deputy Clerk

SERVICE LIST

Interested Party

United States Trustee
Ronald Reagan Federal Building
and United States Courthouse
411 West Fourth Street Suite 9041
Santa Ana, CA 92701-3000

Debtor

Industrial Printers Of California Inc
Scott Rettberg, Director
3012 S Croddy Way
Santa Ana, CA 92704

Chapter 7 Trustee

Karen Sue Naylor, Trustee
Post Office Box 504
Santa Ana, CA 92702

Proposed General Counsel for the Trustee

James C. Bastian, Jr. Esq.
Shulman Hodges & Bastian LLP
26632 Towne Centre Drive Suite 300
Foothill Ranch, CA 92610-2808

**Attorneys for America's Factors, Inc., Assignee of
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220 Avenue I Lower Level
Redondo Beach CA 90277

**Manager for America's Factors, Inc., Assignee of
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